

**MARYLAND HEALTH CARE COMMISSION  
EXECUTIVE DIRECTION**

**BID BOARD NOTICE**

**Procurement ID Number: MHCC- 14-030**

**Issue Date: April 29, 2014**

**Title: Assessment of Changes in Advanced Imaging Referrals by Orthopedists  
2010-2012**

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**I. PURPOSE**

The Maryland Health Care Commission (MHCC) is a public, regulatory commission. The Governor, with the advice and consent of the Maryland Senate, appoints the fifteen Commissioners. MHCC's mission is to plan for health system needs, promote informed decision-making, increase accountability, and improve access in a rapidly changing health care environment by providing timely and accurate information on availability, cost, and quality of services to policy makers, purchasers, providers and the public. The Commission's vision for Maryland is to ensure that informed consumers hold the health care system accountable and have access to affordable and appropriate health care services through programs that serve as models for the nation. Among its duties, MHCC is periodically required to submit policy analyses on questions that will come before the General Assembly in future sessions. In the 2013 legislative session certain surgical specialists sought to eliminate Maryland's self-referral prohibition. This RFP will identify a consultant to study issues raised by the specialists in the 2013 legislation.

Maryland law on self-referral is broad and prohibits self-referral for office-based services that would enjoy exemptions from Section 1877 of the Social Security Act (the Act) (42 U.S.C. 1395nn), also known as the physician self-referral law and commonly referred to as the "Stark Law". Under the Annotated Code of Maryland, Health Occupations Article, §1-301 et seq., referrals are prohibited when the referring health care practitioner stands to benefit financially from the referral. Specifically, a health care practitioner may not refer a patient to a health care entity in which the health care practitioner has a beneficial interest, in which the practitioner's immediate family owns a beneficial interest of at least 3 percent, or with which the practitioner or the practitioner's immediate family has a compensation arrangement. §1-302(a).

In 2006 the Maryland Board of Physicians sought to enforce the self-referral law by halting an orthopaedic practice from referring patients for advanced imaging services to an imaging center owned by that practice. Practices affected claimed they should be exempt from the law. In 2011 the Maryland Court of Appeals in Potomac Valley Orthopaedic

Associates (PVOA), et al. v. Maryland State Board of Physicians, 417 Md. 622 (2011) ruled that exemptions do not apply to services such as those offered by PVOA. Once the Court had ruled, the Board quickly took action to force approximately ten orthopedic practices to divest of the MRI devices.

The ten orthopedic practices lost their ability to self-refer in 2011. They insist that: (1) they do not overuse advanced imaging and (2) their use of advanced imaging has not changed since the Court of Appeals affirmed the Board of Physicians ruling in 2011. MHCC has agreed to test this proposition by examining advanced imaging use rates for certain diagnoses before and after the prohibition among the practices affected by the prohibition and compare use among these practices with use rates for practices that have not been affected by the ban.

## **II. SCOPE OF WORK**

The Maryland Health Care Commission (MHCC or Commission) intends to select a consultant to conduct a study of self-referral of advanced imaging services in 2010 and 2012 using private payer and Medicare claims in the MHCC's Medical Care Data Base (MCDB). The consultant will conduct the data analysis and submit a report to the MHCC summarizing the results for the finding. The consultant will create MRI use rates for orthopaedic practices in the State for Calendar Years 2010 and 2012. The metrics will be constructed from claims for patients with certain diagnoses that were referred for MRI imaging. The consultant will compare MRI use rates for practices between 2010 and 2012 individually and among different categories of orthopaedic practices that treated patients with particular diagnoses provided by the MHCC.

In conducting the analysis the consultant shall follow these detailed specifications:

Treatment group: Practices that held an ownership interest in MRI devices prior to 2011 (Appendix 1).

Control group: The consultant will establish to two control groups:

1. Primary control group will be practices that are part of the Center for Advanced Orthopaedics that did not have an ownership interest in an MRI (Appendix 2).
2. Secondary control group will be all other orthopaedic practices that referred patients for MRI services (all practices not shown in Appendix 1 or 2).

Data specifications:

- Treatment inclusion: MHCC will provide the consultant with the list of ICD-9-CM diagnosis codes
- Provider inclusion: Treatment Group-- Practices with an ownership interest in MRI devices that referred patients for MRI and (b) all other orthopaedic practices that referred patients for MRI services.
- Patient inclusion criteria: patients that were treated by orthopaedic practices in 2010 or 2012 with diagnoses specified by MHCC.

- Procedure inclusion criteria: MRI Services (CPT-4): 72146, 72148, 72195, 72141, 73221, 73721, 73718, and 73218 in 2010 and 2012.
- In consultation with MHCC, the consultant shall develop an approach for attributing a patient that received an MRI to a particular orthopaedic practice that will be deemed the referring orthopaedic practice.

The consultant shall recommend an assessment method, such as a difference-in-difference model, to measure the impact of the elimination of self-referral. This approach measures the change in the differences in the use rate of MRI between our treatment group and the control groups in 2010 when self-referral was permitted and in 2012, one year after the prohibition became effective. (As 2011 is the year of divestment, referral patterns from this year will be excluded from the analysis.) The consultant should explain how exogenous factors such as practice size, geography location, payer mix (Medicare and private), and patient characteristics shall be accounted for in the assessment.

MHCC will consider alternate approaches if the consultant can demonstrate the superiority of the approach and can confirm that the work can be established within the projected not to exceed budget amount.

#### **Technical Requirements:**

The MHCC will provide a temporary work space and will enable the consultant to access the MHCC's Medical Care Data Base professional claims files for privately insured and Medicare using MHCC's SAS Enterprise 6.1. The consultant will conduct these analyses at the offices of the MHCC. MHCC will also provide the CPT codes, provider NPI numbers, and Tax Identification Numbers for the study group and first comparison group. All methods will be documented, tested and validated by the selected vendor.

All data processing programs, data and reports will remain the property of MHCC. The consultant will be solely responsible for completing all development, testing, and execution of the SAS programs to generate the data base and the analytical results based on the specifications mutually agreed upon by MHCC and the consultant in the research design document (deliverable 1). The consultant will be responsible for preparing the analytical report in a clear and concise fashion that is understandable by both technical and non-technical audiences. All report documents must be delivered in Word Office 2007 format or later.

Note: A consultant should be familiar with the research methods used by the General Accountability Office (GAO) in its studies of self-referral. The GAO launched three studies on the impact of the existing exemption under Stark on office-based referrals on the use of services in the Medicare program. In the first report, focusing on self-referral for advanced imaging (CT and MRI), the GAO found that that providers' referrals of MRI and CT services substantially increased the year after they began to self-refer (referred to as switchers in that study)--on average, they found about 67 percent in use from 2008 to 2010. In the case of MRIs, the average number of referrals switchers made increased from 25.1 in 2008 to 42.0 in 2010. In contrast, the average number of referrals made by

providers who remained self-referrers or non-self-referrers declined during this period. This comparison suggests that the increase in the average number of referrals for switchers was not due to a general increase in the use of imaging services among all providers. GAO's examination of all providers that referred an MRI or CT service in 2010 showed that self-referring providers referred about two times as many of these services as providers who did not self-refer. Differences persisted, after accounting for practice size, specialty, geography, or patient characteristics.

### III. CONTRACT DELIVERABLES & DUE DATES

Key Deliverables	Due Date
Research Design	14 days after award
Delivery of Draft Statistical Report	45 days after contract award
Delivery of Final Report	60 days after contract award
Presentation of Results to MHCC	7/17/2014
Delivery of Analytical Data Set and Programs	8/1/2014

*Note: Deliverable due dates are subject to change depending on the start of the contract and contract deliverables may be delayed at the discretion of MHCC.*

### IV. STAFFING REQUIREMENTS

The consultant may propose to augment or revise the following list of required personnel. The consultant must demonstrate how its proposed staff model will complete the tasks in a timely fashion. Proposals must include an hourly rate for the work to be performed and an estimate of the total number of hours required to complete each task.

#### Staffing Design

Labor Categories	Description
Principal Investigator	Senior Program Analyst with an advanced degree in health economics, statistics or health policy with 5 or more years conducting health policy studies using large Medicare or private payer data bases. Three additional years of experience may be substituted for the advanced degree requirement.
Statistical Programmer	Programmer Analyst with 3 years or more experience providing SAS statistical programming on large Medicare or private payer data bases.

## **V. REFERENCES**

As part of its proposal, the consultant shall include names and contact information for two clients for whom the consultant has conducted specialty-specific analytical analyses or technical assessment(s) using large private payer or Medicare claim data bases. The consultant shall also submit a copy of one or more policy studies, technology assessments, or other analytical studies associated with each reference.

## **VI. TERM OF CONTRACT**

The contract begins on or about May 12, 2014 and ends on August 30, 2014. Consultant billing is required by the 15<sup>th</sup> of the month for the prior month and must include a description of the completed tasks in accordance with the Deliverable Schedule in Section III. All deliverables and work must be performed to the satisfaction of the MHCC for reimbursement approval.

## **VII. ISSUING OFFICER**

The Issuing Officer for this solicitation is Sharon M Wiggins, Procurement Officer, Maryland Health Care Commission, 4160 Patterson Avenue, Baltimore, Maryland 21215.

## **VIII. SUBMISSION DEADLINE**

To be eligible for consideration, bids must be received by the Issuing Officer at the Commission office by **4:00 p.m., Thursday, May 8, 2014. All bids must include Federal Tax Identification (FEIN) and eMaryland Marketplace (eMM) Numbers.** Consultants mailing proposals should allow sufficient mail delivery time to ensure timely receipt by the Commission. **Bids may also be submitted electronically to [swiggins@maryland.gov](mailto:swiggins@maryland.gov) by the specified date and time.**

**In order to receive a contract award, consultants must be registered on eMaryland Marketplace (eMM).** Registration is free. Go here to register: <https://ebidmarketplace.com>. Click on “Registration” to begin the process and follow the prompts.

## **IX. EVALUATION CRITERIA**

### **A. Evaluation Committee**

An Evaluation Committee appointed by the Issuing Office will evaluate all bids received by the closing deadline. The Evaluation Committee may request additional technical assistance from any source.

### **B. Evaluation Criteria**

The evaluation criteria set forth below are arranged in descending order of importance.

1. Proposed Work Plan (40 Points)
  - a. Provide a draft work plan to successfully meet the requirements of the proposed contract; and
  - b. To meet the timeframes required in the proposed contract.
2. Experience and Qualifications (50 Points)
  - a. Demonstrate that the proposed staff has experience in conducting similar analyses;
  - b. References confirm proposed staff's expertise in the subject matter set forth in this procurement.
3. Statement of Problem (10 Points)
  - a. Demonstrate a solid understanding of the project goals and objectives set forth by the MHCC in this procurement.

### **C. Evaluation Process**

The Evaluation Committee will evaluate each technical response using the evaluation criteria set forth above and will rank the technical responses in descending order. The Committee will then rank financial proposals based on the total estimated contract price. Financial proposals within \$5000 of each other will be ranked the same.

## **X. BASIS FOR AWARD**

In recommending a bidder for award, the Evaluation Committee will review all bids. The Committee will give more weight to a bidder's technical proposal than to its financial proposal. The Committee shall recommend the bidder whose proposal provides the most advantageous offer to the State.

## **XI. PROCUREMENT METHOD**

The procurement method for this solicitation is a Small Procurement as described in the Code of Maryland Regulations (COMAR) 21.05.07. **The maximum award allowed under these regulations is \$25,000.**

## **XII. REQUIRED DOCUMENTS**

1. Please provide a brief (10 pages or less) description of your approach to completing the tasks.
2. Please include individual resumes, writing samples, and references for each of the personnel who are to be assigned if your organization is awarded the contract. (Appendices are not included in the page count.) Subconsultants, if any, must be identified, and a detailed description of their contributing role relative to the requirements of the proposal must also be included in the proposal. Each resume should include the amount of experience the individual has completed relative to the work requested for this solicitation. Letters of intended commitment to work on the project from personnel must also be included.

## **XIII. TERMINATION CLAUSE**

The State of Maryland may terminate this contract at any time and for any reason. Bidders must acknowledge this statement in their response to this Bid Board Notice to be considered an acceptable response.

**MINORITY BUSINESS ENTERPRISES AND SMALL BUSINESSES  
ARE ENCOURAGED TO RESPOND TO THIS SOLICITATION**

**Appendix Table 1 -- Practices that held an Ownership Interest in an MRI prior to 2011**

NPI	Organization Name(LBN)	Address
1023269396	Orthopaedic Associates Of Central Maryland, Pa	10710 Charter Dr Suite 300 Columbia Md 21044
1649272881	Orthopaedic Associates Of Central Maryland	Columbia Md 21044
1730295098	Peninsula Orthopaedic Associates Pa	1675 Woodbrooke Drive Salisbury Md 21804
1124194956	Peninsula Orthopaedic Associates, P.A.	314 Franklin Ave Suite 502 Berlin Md 21811
1053621615	Peninsula Orthopaedic Associates, Pa	6503 Deer Pointe Drive Suite B Salisbury Md 21804
1326114141	Peninsula Orthopaedic Associates, P.A.	32033 Beaver Run Dr Salisbury Md 21804
1609012038	Potomac Valley Orthopaedics Associates, Chartered	3414 Olandwood Ct Olney, Md 20906
1497989891	Chesapeake Orthopaedic And Sports Medicine Center	7556 Teague Rd Suite 240 Hanover Md 21076
1407920143	Chesapeake Orthopaedic And Sports Medicine Center Pa	200 Hospital Drive Glen Burnie Md 21061
1205888443	Robinwood Orthopaedics	11110 Medical Campus Rd Hagerstown Md 21742-6700
1013023647	Orthomaryland	2700 Quarry Lake Drive Suite 300 Baltimore Md 21209



**Appendix Table 2 -- CAO Practices that did NOT Own an MRI prior to 2011**

NPI	Organization Name(LBN)	Address
TBD	Center for Advanced Orthopaedics - Hollywood	24035 Three Notch Road, Hollywood, Maryland 20636
1912070137	Center for Advanced Orthopaedics - Waldorf	7 Post Office Road, Suite Y, Waldorf, Maryland 20602
1003883331	Greater Washington Orthopaedic Group - Germantown	19532 Doctors Drive, Germantown, Maryland 20874
1821065152	Greater Washington Orthopaedic Group - Olney	18111 Prince Philip Drive, Suite 221, Olney, Maryland 20832
1386611614	Greater Washington Orthopaedic Group - Silver Spring	1400 Forest Glen Road, Suite 400, Silver Spring, Maryland 20910
1063669927	Maryland Orthopaedic Specialists - Bethesda	6430 Rockledge Drive, Suite 510, Bethesda, Maryland 20817
1063669927	Maryland Orthopaedic Specialists - Germantown	19847 Century Boulevard, Suite 205, Germantown, Maryland 2087
1619985223	Metro Orthopaedics & Sports Therapy	8401 Colesville Road, Suite 50, Metro Level, Silver Spring, Maryland 20910
1588634570	Mid-Maryland Musculoskeletal Institute - Frederick	86 Thomas Johnson Court, Frederick, Maryland 21702
TBD	Mid-Maryland Musculoskeletal Institute - Hagerstown	1829 Howell Road, Suite 4, Hagerstown, Maryland 21740
TBD	Mid-Maryland Musculoskeletal Institute - Urbana	3280 Urbana Pike, Suite 105, Ijamsville, Maryland 21754
1245268952	Montgomery Orthopaedics	10400 Connecticut Avenue , Kensington, Maryland 20895
TBD	Orthopaedic Surgeons of Montgomery County	8830 Cameron Street, Suite 333, Silver Spring, Maryland 20910
TBD	Orthopedic Associates	2101 Medical Park Drive, Suite 110, Silver Spring, Maryland 20902
1720113251	Orthopedic Solutions - Laurel	14201 Laurel Park Drive , Suite 111, Laurel , Maryland 20707
1699835017	Orthopedic Solutions- Columbia	11055 Little Patuxent Parkway, Suite L-1, Columbia, Maryland 21044
TBD	The Orthopaedic Center - Germantown	20500 Seneca Meadows Parkway, Suite 2100, Germantown, Maryland 20874
TBD	The Orthopaedic Center - Rockville	9420 Key West Avenue, Suite 300, Rockville, MD 20850
1285750059	Southern Maryland Orthopaedic & Sports - Leonardtown	23000 Moakley Street, Suite 102, Leonardtown, Maryland 20650
TBD	Southern Maryland Orthopaedic & Sports - Waldorf	11340 Pembroke Square, Suite 211, Waldorf, Maryland 20603
TBD	Summit Orthopaedics	5530 Wisconsin Avenue, Suite 1660, Chevy Chase, Maryland 20815
1083617625	Orthopaedic And Sports Medicine Center LLC	108 Forbes St , Second Floor Annapolis, MD 21401-1502

**Appendix 3**  
**MCDB and Medicare Professional Services File Layouts**